

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING MINUTES
May16, 2023 ~ 6:00 PM
SHEEP CREEK WATER COMPANY – via Zoom
4200 Sunnyslope Rd., Phelan, CA 92371

1) **Open Meeting-** 6:00 PM

- a. The Regular Board of Directors Meeting of May 16, 2023, was called to order at 6:03 PM by President Andy Zody. Vice President Luanne Uhl led the Pledge of Allegiance. Director David Nilsen led the Invocation. Andy Zody reminded all present and listening that all meetings are recorded for the accuracy of the minutes.
- a. Directors Present:
 - Andy Zody is in attendance as Presiding President.
 - Luanne Uhl is in attendance as Vice President.
 - Kellie Williams is in attendance as Secretary/Treasurer.
 - David Nilsen is in attendance as presiding Director.
 - Eric York is in attendance as presiding Director.
- b. Guests Present: Peter Barnes in-person and attended via Zoom. Ernest Riffenburgh- Counsel
- c. Staff Present: General Manager Joseph Tapia and Therese Rodriguez, General Manager Assistant.

2) **Consent Motions**

- a. Minutes:
 - i. *Regular Board of Directors Meeting- April 18, 2023*
- b. Bills:
 - i. *April 18, 2023, through May 16, 2023*
- c. Managers' Report: Included in Board Packet

Nilsen moved to accept the Consent Motions presented. York seconded the motion. Motion Carried.

5 – yes

0 - no

- 3) **Open Forum/Public Comment-** Under this item any member of the Board or Public may address the Board on any item relating to the company not listed on this agenda. However, the Board is prohibited under AB 240 from taking any action on an item not appearing on the agenda. Board president will call on each participant and at that time you have three (3) minutes to speak. Please be advised that this meeting will be recorded for documentation purposes and to help the accuracy of meeting minutes.

Williams – Thanked the team for their hard work and hours for the Annual Shareholder Meeting.

Barnes – Commented on Facebook posts.

4) **Old Business-**

Action Items:

a. New Well 13 Drilling Contract

Uhl motioned to approve the updated contract. Nilsen seconded the motion. Motion Carried.

5 – yes

0 - no

b. Well 8 Rehab Contract

Tapia shared Layne Well Inspection Report with images and information on the pipe to clean and downsize the pipe from 8” to 6”. This will result in a smaller motor, less electricity to pump the water and lower our costs. It is the recommendation of the driller and our General Manager. The board supports the recommendation.

Nilsen motioned to approve the Well 8 Rehab Contract. York seconded the motion. Motion Carried.

5 – yes

0 – no

c. Upgrade Master Plan Contract

Tapia asked the board to proceed with the Sheep Creek Master Plan Contract. Discussion followed.

Nilsen motioned to approve the Master Plan Contract with Ardurra. Uhl seconded the motion. Motion Carried.

5 – yes

0 - no

d. Future Share Program

At the Annual Shareholders' Meeting, Nilsen discussed the Shareholder’s overwhelming approval of the Future Share Program.

Nilsen motioned to approve the Future Share plan to include the following:

- Approve the Future Share Plan
- Secretary will develop a plan, a summary of the future Share Plan to include the following ideas/suggestions from the board:
 - o The plan will not compete with other shares being sold.
 - o Our attorney suggested a process to validate the value of the shares.
 - o Include Tier 3 budgeting funds to purchase the shares.
 - o Prioritize Tier 3 for the loan repayment plan.
 - o Review the IRS forms needed to sell and buy shares.
- A draft will be prepared by the board secretary and available to review or vote by the next board meeting.

York seconded the motion.

5 - yes

0 - no

Information Items:

- a. System Update – see Appendix A

5) New Business

Action Items:

- a. New Meter

New residential meter request. Uhl motioned to approve the new meter. York seconded the motion.

5 – yes

0 - no

- b. Account 197

Water leak, family is asking for forgiveness or help. No motion.

- c. Board Rules and Procedures

Nilsen discussed Roberts’s Rules of Order. He would like to set up a committee for the board to refresh their skills on good practices to operate future meetings.

Nilsen motioned to set up the Parliamentary Procedure Committee. Williams seconded the motion. Motion carried.

5 – yes

0 - no

6) Next Scheduled Meeting

- a. June 20, 2023

Zoom will no longer be available. COVID guidelines state that we can meet in person again.

7) Closed Session

- a. None

8) Adjournment

Uhl motioned to adjourn the meeting at 6:54. Nilsen seconded the motion

Respectfully Submitted,

Kellie Williams-Secretary/Treasurer
Sheep Creek Water Company
Board of Directors

Appendix A:

PRODUCTION

- April Production- 41.22 AF; 2023 Year to Date Production- 145.31
- April Meter Service Usage- 28.96 AF; 2023 Year to Date Consumption- 108.10

Well soundings, 2023:

- Static Water Levels compared April 2022 to April 2023:

Well 2A static level is up 11.55 feet – Water Level 260.14’

Well 3A static level is up 9.24 feet – Water Level 265.96’

Well 4A static level is up 3.10 – Water Level 284.44’

Well 5 static level is up 9.24 feet – Water Level 269.85’

Well 8 static level is up 13.86 feet – Water Level 306.02’

Well 11 static level had no change – Water Level 948’

Tunnel the Tunnel flow is currently averaging 175

- Well 2A running an average of 2.4 hours a day. Ran for 4 days.
- Well 3A running an average of 6 hours a day. Ran for 5 days.
- Well 4A running an average of 1 hour a day. Ran for 1 day.
- Well 5 running an average of 2.3 hour a day. Ran for 4 days.
- Well 8 running an average of 8.56 hours a day. Ran for 27 days.
- Well 11 running an average of 1.9 hours a day. Ran for 1 day.
- Total pumping capacity as of April 30, 2023 is 2,067 gpm.
- Current usage is averaging 314,000 gallons per day, 218 gallons per minute
- **Allotment Tier 1 – First share on account remain 750 CF/Share and Remaining shares 150 CF/Share. \$0.55 per hcf**
- **Allotment Tier 2 – 150 CF/Share all shares after Tier 1 \$4.50 per hcf**
- **Tier 3 Overage- No Allotment \$10.00 per hcf**

Work Completed or in Progress-April 2023

- Work orders as office requests
- Well soundings – weekly
- Well samples- weekly
- 3 - Meter upgrades
- 0-Mainline leaks / 0- service line leaks
- Repair Round House Door
- Storage Tank Assessment done by USG Water Solutions
- Auto Maintenance Completed